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**Italy**

**Citrus**

**Annual**

**2003**

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**Report Highlights:**

Italian citrus output for 2002/2004 marketing year is forecasted to be very low, especially for tangerines (-20 percent) and oranges (-14 percent), although producers should be partly compensated by the high quality of production. Lemons are expected to perform well on the winter crop and very badly on the spring crop. After a bad 2002/2003 MY Italian citrus producers are under ever-increasing pressure on internal and international markets and struggle to compete with EU and non-EU (mainly Spanish) colleagues.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Rome [IT1]  
[IT]

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## Executive Summary

Italian citrus producers are facing greater challenges, especially after 2002/2003, because increasing competition and adverse climactic conditions such as: a) the Etna volcano eruption that covered part of Sicilian production in ashes forcing sales at very low prices or to industrial processors; b) The exceptionally dry Summer in most of Southern Italy citrus producing regions.

The Italian Citrus Producers' association's forecast for marketing year 2003/2004 is pessimistic, especially in terms of production volume, mainly due to spring frosts, exceptional summer drought and September floods that affected all the citrus producing regions.

Overall citrus production is expected to be down by more than 8 percent, specifically:

1,000MT

Oranges	1437
Lemons	570
Grapefruits	30
Tangerines	450

Tangerine production is likely to decrease by as much as 20 percent in some areas, with very little variation among regions. As far as Oranges are concerned, production in Sicily and Calabria, where most of the production takes place, is not expected to be significantly affected by adverse conditions. However, decreasing production in Campania and Puglia is expected to lower national production by about 13 percent.

Despite lower production for both tangerines and oranges, losses in quantity will probably be partly compensated by the increased quality of production, which is expected to be very good thanks to rainy weeks in September and October.

Lemons, which are harvested in two different times of the year (winter and spring), can yield very different results. Winter production (Primo Fiore) is expected to be better than average, while spring production will probably be very scarce because of drought conditions during the flowering period.

At the industry level there is a general trend for producers to shift from oranges, lemons and mandarins to seedless clementines and grapefruits in order to be better placed on the market and to meet consumer demand. As a result, productivity losses for tangerines and grapefruits are partly compensated by increased planted area.

Despite producer efforts to improve their response to consumer demand, Italian citrus producers are losing share both on internal and international markets. This is partly due to the ever-increasing competition from Spain, as well as from other non-EU competitors (i.e. South Africa) that are able to offer cheaper prices and longer marketing periods. Italian producers also find it very difficult to meet the demands of large-scale distribution, both in terms of volume produced and in terms of services (packaging, logistics, etc). As a result, Spanish production is quickly gaining share on the Italian market, especially for tangerines and oranges in the large supermarkets chains.

Since 2002, especially after the introduction of the Euro currency, there has been a significant concern over prices and inflation. In July/August 2003, the Italian media widely reported on suspected wholesale and retail vendors who were allegedly overpricing on fruits and vegetables to take advantage of the introduction of Euro. Since then, many families

have reduced their fruit and vegetable expenditures, purchasing lower quantities of domestic product or switching to imported products, which are generally cheaper.

As far as exports are concerned, Germany, Austria, Switzerland and other North European countries are still the main destination market for Italian oranges, lemons and grapefruits. Nevertheless East European countries (such as Croatia or Bosnia Herzegovina) and EU acceding countries (such as Poland and Hungary) are becoming increasingly interesting for exporters.

Italian Citrus producers, organized in producers associations, benefit from EU payments on the basis of quantities delivered to processing plants according to EU Fruit and Vegetables common market organisation (CE2202/1996). Deliveries to processors, though, are subject to ceilings per product that were updated in the year 2000 by EU Reg 2699. When the processed production exceeds the established ceiling, the aid is reduced proportionally.

In marketing year 2002/2003 deliveries to processors have been exceptionally high especially for oranges that were damaged by pests or by Mount Etna ashes, and therefore were not absorbed into the fresh consumption market. This increase, partly compensated by stable trends for other products, led to a 14.93 percent reduction of the payment per delivered ton of production. Although official data on juice production have not yet been released, they are expected to be very high compared to previous years, leading to the possibility of a substantial increase of stocks.

Orange juice production for the 2003/2004 marketing campaign is forecast to be down due to low quantity, but generally high quality of production, which will therefore be mainly consumed as fresh fruit. Tangerines and lemons are expected to follow the same trend, whereas lemon juice production is forecast to decrease due to poor performance of the spring harvest.

Italian citrus producers are increasingly looking at EU-Registered Geographic Indications (GI) and organic production to be more competitive on the national and international markets. Currently, there are 3 registered GIs: Clementina di Calabria IGP, Clementina del golfo di Taranto IGP and Arancia Rossa di Sicilia IGP. GI products are generally produced in very limited quantities and are almost entirely sold on the national market.

Organic production amounts to 8% of oranges, 5% of clementines, 3% of mandarins and 7% of lemons.

## PSD TABLES

## Fresh Oranges

PSD Table							
Country	Italy						
Commodity	Fresh Oranges						
	(HECTARES)(1000 TREES)(1000 MT)						
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA	Post	USDA	Post	USDA	Post	
	Official	Estimate	Official	Estimate	Official	Estimate	
	[Old]	[New]	[Old]	[New]	[Old]	[New]	
Market Year Begin	11/2001	11/2002		11/2002		11/2003	MM/YYYY
Area Planted	108000	108076	108000	106433	0	106434	(HECTARES)
Area Harvested	106000	108076	106000	106433	0	106434	(HECTARES)
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)
Production	1829	1724	1765	1663	0	1437	(1000 MT)
Imports	65	77	75	88	0	90	(1000 MT)
TOTAL SUPPLY	1894	1801	1840	1751	0	1527	(1000 MT)
Exports	129	148	140	128	0	65	(1000 MT)
Fresh Dom. Consumption	1145	970	1130	815	0	815	(1000 MT)
Processing	620	683	570	808	0	647	(1000 MT)
TOTAL DISTRIBUTION	1894	1801	1840	1751	0	1527	(1000 MT)

## Juice, Orange

PSD Table							
Country	Italy						
Commodity	Juice, Orange						
	Degrees Brix (MT)						
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA	Post	USDA	Post	USDA	Post	
	Official	Estimate	Official	Estimate	Official	Estimate	
	[Old]	[New]	[Old]	[New]	[Old]	[New]	
Market Year Begin	01/2002	01/2002		01/2003		01/2004	MM/YYYY
Deliv. To Processors	620	620	570	570	0	0	(MT)
Beginning Stocks	17000	75000	9000	75322	4000	100019	(MT)
Production	40000	227587	38000	269290	0	215632	(MT)
Imports	40000	50718	40000	50433	0	60015	(MT)
TOTAL SUPPLY	97000	353305	87000	395045	4000	375666	(MT)
Exports	52000	46683	46000	54026	0	61265	(MT)
Domestic Consumption	36000	231300	37000	241000	0	233000	(MT)
Ending Stocks	9000	75322	4000	100019	0	81401	(MT)
TOTAL DISTRIBUTION	97000	353305	87000	395045	0	375666	(MT)

## Fresh Lemons

PSD Table							
Country	Italy						
Commodity	Fresh Lemons						
	(HECTARES)(1000 TREES)(1000 MT)						
	2001 USDA Official [Old]	Revised Post Estimate [New] 10/2001	2002 USDA Official [Old]	Estimate Post Estimate [New] 10/2002	2003 USDA Official [Old]	Forecast Post Estimate [New] 10/2003	UOM
Market Year Begin	MM/YYYY						
Area Planted	35000	34599	34000	34500	0	34500	(HECTARES)
Area Harvested	35000	34599	34000	34500	0	34500	(HECTARES)
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)
Production	571	570	584	573	0	570	(1000 MT)
Imports	61	68	60	89	0	80	(1000 MT)
TOTAL SUPPLY	632	638	644	662	0	650	(1000 MT)
Exports	22	34	19	29	0	25	(1000 MT)
Fresh Dom. Consumption	288	258	290	283	0	283	(1000 MT)
Processing	322	346	335	350	0	342	(1000 MT)
TOTAL DISTRIBUTION	632	638	644	662	0	650	(1000 MT)

## Juice, Lemon

PSD Table							
Country	Italy						
Commodity	Juice, Lemon						
	(MT)						
	2001 USDA Official [Old]	Revised Post Estimate [New] 01/2001	2002 USDA Official [Old]	Estimate Post Estimate [New] 01/2001	2003 USDA Official [Old]	Forecast Post Estimate [New] 01/2001	UOM
Market Year Begin	MM/YYYY						
Deliv. To Processors	0	346291	0	13424	0	342000	(MT)
Beginning Stocks	0	13000	0	13424	0	12667	(MT)
Production	0	77231	0	78050	0	76266	(MT)
Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	0	90231	0	91474	0	88933	(MT)
Exports	0	807	0	807	0	0	(MT)
Domestic Consumption	0	76000	0	78000	0	78000	(MT)
Ending Stocks	0	13424	0	12667	0	10933	(MT)
TOTAL DISTRIBUTION	0	90231	0	91474	0	88933	(MT)

## Fresh Grapefruit

## PSD Table

Country	Italy							
Commodity	Fresh Grapefruit						(HECTARE S)(1000 TREES)(1000 MT)	
	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]	UOM	
Market Year Begin		06/2001		06/2002		06/2003	MM/YYYY	
Area Planted	1400	1400	1600	1450	0	1450	(HECTAR ES)	
Area Harvested	1200	1200	1400	1250	0	1300	(HECTAR ES)	
Bearing Trees	0	0	0	0	0	0	(1000 TREES)	
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)	
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)	
Production	30	30	45	30	0	30	(1000 MT)	
Imports	30	30	40	36	0	38	(1000 MT)	
TOTAL SUPPLY	60	60	85	66	0	68	(1000 MT)	
Exports	8	8	2	5	0	5	(1000 MT)	
Fresh Dom. Consumption	45	45	80	55	0	57	(1000 MT)	
Processing	7	7	3	6	0	6	(1000 MT)	
TOTAL DISTRIBUTION	60	60	85	66	0	68	(1000 MT)	

## Juice, Grapefruit

## PSD Table

Country	Italy							
Commodity	Juice, Grapefruit						(MT)	
	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]	UOM	
Market Year Begin		01/2001		01/2001		01/2001	MM/YYYY	
Deliv. To Processors	0	0	0	0	0	0	(MT)	
Beginning Stocks	0	144	0	0	0	0	(MT)	
Production	0	0	0	0	0	0	(MT)	
Imports	0	0	0	12325	0	11216	(MT)	
TOTAL SUPPLY	0	144	0	12325	0	11216	(MT)	
Exports	0	0	0	2451	0	2206	(MT)	
Domestic Consumption	0	0	0	0	0	0	(MT)	
Ending Stocks	0	0	0	0	0	0	(MT)	
TOTAL DISTRIBUTION	0	0	0	2451	0	2206	(MT)	
		-144		-9874		-9010		

## Fresh, Tangerines

## PSD Table

Country	Italy						UOM
Commodity	Fresh Tangerines		(HECTARES)(1000 TREES)(1000 MT)				
Market Year Begin	2001 USDA Official [Old]	Revised Post Estimate [New] 11/2001	2002 USDA Official [Old]	Estimate Post Estimate [New] 11/2002	2003 USDA Official [Old]	Forecast Post Estimate [New] 11/2003	MM/YYYY
Area Planted	37000	37000	37000	37000	0	37500	(HECTARES)
Area Harvested	35000	35000	35000	35000	0	35500	(HECTARES)
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)
Production	611	611	560	548	0	450	(1000 MT)
Imports	65	65	75	76	0	99	(1000 MT)
TOTAL SUPPLY	676	676	635	624	0	549	(1000 MT)
Exports	71	71	70	51	0	28	(1000 MT)
Fresh Dom. Consumption	475	475	455	455	0	450	(1000 MT)
Processing	130	130	110	118	0	71	(1000 MT)
TOTAL DISTRIBUTION	676	676	635	624	0	549	(1000 MT)

Trade Matrixes

Fresh Oranges

Export Trade Matrix

Country Italy

Commodity Fresh Oranges

Time Period  Units:

Exports for: 2001 2002

U.S. 391 U.S. 266

Others Others

Germany	43348	Germany	36345
Austria	21296	Austria	18116
France	7945	Switzerland	16319
Poland	7659	Poland	7214
Check Rep.	7632	Albania	4829
Belgium	4774	Check Rep.	4499
Malta	3951	Croatia	4198
Slovenia	3789	Bosnia-Erz	3764
Sweden	3573	France	3427
Bosnia-Erz	3360	Belgium	3325

Total for Others 107327 102036

Others not Listed 39917 26142

Grand Total 147635 128444

Import Trade Matrix

Country Italy

Commodity Fresh Oranges

Time Period  Units:

Imports for: 2001 2002

U.S.  U.S.

Others Others

Spain	31514	Spain	49725
S. Africa	16557	S. Africa	16059
France	6797	Netherlands	4784
Netherlands	6582	France	4395
Argentina	5237	Belgium	3284
Uruguay	4126	Egypt	1648
Ciprus	1142	Uruguay	1612
Greece	1057	Argentina	1558
		Germany	1045
		Greece	977

Total for Others 73012 85087

Others not Listed 3988 2913

Grand Total 77000 88000

**Fresh Lemons**

**Export Trade Matrix**

Country Italy

Commodity Fresh Lemons

Time Period:  Units:   
 Exports for: 2001 2002  
 U.S.  U.S.   
 Others Others

Austria	10757	Austria	7126
Germany	8405	Germany	5453
France	2329	France	1687
Slovenja	1754	Slovenja	1344
Croatia	1408	Croatia	1528
Check Rep	1307	Check Rep	1146
UK	1145	UK	619
Switzerland	1143	Switzerland	948
		Hungary	840
		Bosnia - Erz	793
Total for Others	28248		21484
Others not Listed	5752		7516
Grand Total	34000		29000

**Import Trade Matrix**

Country Italy

Commodity Fresh Lemons

Time Period:  Units:   
 Imports for: 2001 2002  
 U.S.  U.S.   
 Others Others

Spain	27557	Spain	45984
Argentina	25667	Argentina	33693
Netherlands	2624	Netherlands	1440
S. Africa	2413	S. Africa	3158
Turkey	2195	Turkey	1611
France	2033	France	1116
Uruguay	2032	Ciprus	1174
Belgium	1380		
Ciprus	1772		
Total for Others	67673		88176
Others not Listed	327		824
Grand Total	68000		89000

**Fresh Grapefruit**

**Export Trade Matrix**

Country Italy

Commodity Fresh Grapefruit

Time Period  Units:   
 Exports for: 2001 2002  
 U.S.  U.S.   
 Others Others

Austria	1291	Austria	1355
France	1279	France	1288
Germany	685	Germany	627
Greece	286	Greece	338
Netherlands	251	Netherlands	333

Total for Others 3792 3941  
 Others not Listed 4208 1059  
 Grand Total 8000 5000

**Import Trade Matrix**

Country Italy

Commodity Fresh Grapefruit

Time Period  Units:   
 Imports for: 2001 2002  
 U.S.  U.S.   
 Others Others

Israel	7693	Israel	9874
S. Africa	6909	S. Africa	5895
Netherlands	5222	Netherlands	5500
France	1974	France	1500
Latin America	1212	Latin America	1182
Latin America	1204	Latin America	474
Germany	982	Asia	7650
Belgium	702		

Total for Others 25898 32075  
 Others not Listed 4102 3925  
 Grand Total 30000 36000

**Fresh Tangerines**

**Export Trade Matrix**

Country Italy

Commodity Fresh Tangerines

Time Period  Units:

Exports for:  1

U.S.  U.S.

Others Others

Poland	24949	Poland	15504
Hungary	7347	Bosnia - Erz	6117
Check Rep	7089	Hungary	5560
Slovenja	5317	Germany	4575
Slovak	3965	Slovenja	3658
Germany	3428	Check Rep	2692
Bosnia - Erz	3413	Slovak	2939
France	3336	Austria	2058
Latvia	3120	France	2045
Austria	2931	Latvia	1657
Total for Others	64895		46805
Others not Listed	<input type="text" value="6105"/>		<input type="text" value="4195"/>
Grand Total	71000		51000

**Import Trade Matrix**

Country Italy

Commodity Fresh Tangerines

Time Period  Units:

Imports for:  2002

U.S.  U.S.

Others Others

Spain	49855	Spain	65988
France	4126	France	4601
Ciprus	2017	Ciprus	1635
		Greece	1469
		Uruguay	992
		Morocco	723
		Netherlands	228
		Argentina	132
Total for Others	55998		75768
Others not Listed	<input type="text" value="9002"/>		<input type="text" value="232"/>
Grand Total	65000		76000